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# **Chinese Migrants in Africa: Bilateral and Informal Governance of a Poorly Understood South-South Flow**

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## **Abstract**

The paper examines the social and political dynamics of Chinese migrants in Africa. Implicit in much of the literature on 'China in Africa' is a power relation in which the Chinese hold the whip hand. Moreover analytical attention has focussed overwhelmingly on aggregate 'South-South' flows of trade or FDI, or bilateral projects as opposed to the activities of the myriad independent Chinese entrepreneurs that have migrated to Africa. While we do not want to reverse the structuralist lens to say that Africa/ns have endless options we want to examine how African social and political agency plays into these unfolding relationships. Our argument is that the increased Chinese presence in Africa does not represent some form of harmonious 'South-South' cooperation but Africans are managing the relationship in ways that create significant opportunities for their development. Based on recent fieldwork in Angola, Ghana, and Nigeria, the paper addresses a number of key dimensions around the governance of this migration. Our data show African state institutions, firms and individuals contesting and shaping these engagements in ways that benefit them. Much of the relationship is brokered, and subsequently governed, by pacts between Chinese and African elite state actors. These tend to be relatively unaccountable and non-transparent processes with the Chinese investments bolstering the legitimacy of African regimes. These relationships are presented by the Chinese as 'win-win' and not interfering in domestic political processes, yet they do intervene and increasingly so in contexts where security of investments and personnel are threatened. This was amply demonstrated in the recent Libyan evacuation though this only covered labour migrants on official contracts and not independent migrants. That said where the quality of Chinese investment is held to account by African states and civil societies we generally see better developmental impacts. Central to much of this are the differences in the national laws and enforcement regimes of the 'host' societies, around labour, immigration and investment. This holds a potential lesson for managing 'China-Africa' relations in that a strong legislative base with effective enforcement can deliver development dividends from small scale investments besides the big infrastructure projects heralded in the press. Beyond these more formal inter-state relations we see migration and investment governed in a number of informal ways, notably organisations such as local associations of market traders. It is often these forms of agency that spark the formal governance system into action. Many successful Chinese firms have local patrons who give credibility, contacts and protection. We have evidence of African firms employing Chinese labour, expertise and technology. African entrepreneurs actively encouraging Chinese investment outside of the formal, bilateral arrangements drive some of this. In this sense governance of Chinese-African migration is national and/or informal rather than regional.

# Introduction: Bilateralism and Beyond in China-Africa Relations

This paper focuses on Chinese migrants in Africa and is inspired by Alden's comment that "The behaviour of thousands of newly settled Chinese businessmen and the conduct of the African communities in which they live and work will matter as much as the diplomacy and concessions made at the government level" (Alden 2007: 128). To date much of the focus on China in Africa has been on the diplomatic efforts and their relationship to a mutually enriching 'South-South' cooperation. Notably, meetings like the Forum on China Africa Cooperation (FOCAC) are rightly seen as central to the official foreign policy of China in Africa (Taylor 2011). Yet, as Alden indicates, there is much more to South-South flows than high-level politicking and concessional financing for big infrastructures projects.

Even though the Chinese government frequently sponsors engagements with African nations, independent migrants also settled in a number of African countries, in tandem with the positive diplomatic relations. In absolute numbers, the percentages of Chinese migrants to Africa are relatively small, when compared to all emigration from China (IOM 2010). Still, the growing presence of Chinese workers and business people in Africa precipitated questions as to whether their presence is beneficial through such things as enhancing entrepreneurial activity or whether the inexpensive goods they bring and the infrastructure they build in order to access natural resources constitute a new 'imperialism' that exploits Africa.

In terms of the governance of these migration flows there is very little systematic data. Most of the work has focused on the aid-governance nexus where the Chinese are accused by some of unscrupulous behaviour that undermines good governance (Tull 2006). Yet there is much more to the governance issue than whether Chinese lending supports authoritarian regimes or if investment comes without consideration of human rights (see Gu et al. 2008). The paper argues that these new migration flows from China to Africa are significant given that they are made up of state-sponsored construction teams or independent entrepreneurs, all of which make significant economic impacts on host societies. Yet the governance of these flows is not coherent or planned. Rather, a range of different actors are involved in the governance of this migration and they operate through informal and formal modes of regulation. Crucially, in contrast to analyses that attribute power to China at the expense of Africa we argue that African social and political agency is central to the governance of these relationships. These relationships also exceed bilateral arrangements and are often a multi-layered and/or networked phenomenon.

The paper starts by trying to make sense of the limited data on the scale of this migration. This discussion highlights the need for disaggregation of flows according to the motives and actors involved. In turn this sets up a consideration of the historical drivers of this migration, the different actors involved, and some of the theories used to explain the social and political underpinnings of these relationships. We then examine the specific nature of the governance in place, which is often bilateral and unaccountable, but also takes place through less bounded relationships and is increasingly influenced by a range of civil society actors.

## Dubious Data

But how significant is this China-Africa migration? While most observers accept that China sent an increased number of workers to Africa, particularly in the last decade, a major problem is that data are speculative (see Figure 1). Notwithstanding, these data lend themselves to several interpretations. First, data shows that sizeable, long-standing Chinese migrant communities in South Africa and Mauritius date back to the colonial period and that more recent immigration consisted of 1980s arrivals from Hong Kong and Taiwan.<sup>1</sup> Second, the data also shows that the rapid increases in Chinese immigration to Africa over the past seven years coincide not only with the China's increased Foreign Direct Investment (FDI), but also with China's trade with various African countries. The Xinhua Press Agency estimated that as many as 750,000 Chinese may be working or living in Africa for extended periods.<sup>2</sup> The most significant growth is found in countries with significant oil resources, notably Nigeria, Angola and Sudan.

**Figure 1: Estimates for Chinese in selected African countries, various sources.**

Country	1963 (Chang 1968)	2000, unless for 1989 (Chinese sources)	2001 (Ohio U. Database, cited in Sautman <sup>3</sup>	Estimate for 2003-2007 (Sautman <sup>4</sup> and Hairong <sup>4</sup> plus various)
South Africa	5105	70000	30000*	100000-400000 (2007)+
Mauritius	23266	40000	35000 (for year 1990)**	30000 (2005)+
Cameroon	N/A	450	50	1000-3000 (2005)+
Sudan	N/A	45 <sup>^</sup>	45	5000-10000 (2004- 2005)***
Lesotho	N/A	2500	1000	5000 (2005)+
Ghana	N/A	465	500	6000 (2004)+
Liberia	27	45 <sup>^</sup>	120	600 (2006)+
Nigeria	2	10000	2000	100000 (2007)
Mozambique	1735	500	700	1500 (2006)+
Ethiopia	18	8	100	3000-4000 (2006)+
Algeria	N/A	30	2000	8000 (2003)+
Cote d'Ivoire	N/A	1300	200	10000 (2007)+
Zimbabwe	303	500	300	10000 (2007)+

<sup>^</sup>Zhang<sup>5</sup>; QiaoQing (2005); + Sautman and Hairong<sup>6</sup>; \* Poston et al.<sup>7</sup>; \*\* Poston et al.<sup>8</sup>; \*\*\* Abdalla Ali<sup>9</sup>

<sup>1</sup> Anshan Li, *Chinese diaspora in Africa* (Beijing: Peking University Centre on Overseas Chinese, 2005)

<sup>2</sup> Howard French and Lydia Polgreen, "Chinese flocking in numbers to a new frontier: Africa." International Herald Tribune, August 17th 2007. <http://www.ihrt.com/articles/2007/08/17/news/malawi.php>

<sup>3</sup> Sautman and Hairong, "Friends and Interests".

<sup>4</sup> Sautman and Hairong, "Friends and Interests".

<sup>5</sup> W Zhang, *HuaqiaoHuaRenGaiShu*, (Beijing: Overseas Chinese Affairs Office of the State Council, CCP, 1993).

This paucity of reliable data raises three further issues. First, history is crucial to understanding the periodization of migration and its relationships to economic and geopolitical forces. Second, we need to focus on the social and geographical characteristics of migrants, especially on those differences *within* sub-communities of overseas Chinese.<sup>10</sup> A third concern, which arises from the previous issue, is how the specific historical environments and current cultural settings impact the Chinese migrant community and their developmental activities. We examine these three issues in more detail before turning to an analysis of the governance of these flows.

## Disaggregating Flows Across Time and Space

This section picks up these arguments around needing a finer grained analysis of the historical drivers of China-Africa migration, the dynamic nature of Chinese ‘communities’ in Africa, and the relationships between migrants and political processes.

### *Histories of China-Africa migration*

For some, China’s growing presence in Africa is a relatively new phenomenon that is likened to an opportunistic resource grab (Mawdsley 2008). Such an analysis is flawed to the extent that it overlooks the long history of contact and support between the peoples of these regions. Even though this paper focuses on more recent Chinese migration to Africa, these movements connect to longer histories of South-South migration, which in some cases go back over centuries.

The sweeping concept *South-South migration* also obscures layers of historical and geographical complexity. This concept, for example, fails to challenge conventional definitions of the South.<sup>11</sup> The common sense definition has no meaning even if we can now, i.e., *ex post*, label the South. If *South* denotes a lack of development, many of these regions were *not* less developed when the migrations took place. Chinese traders first engaged with East Africa in the fifteenth century or earlier (Li 2012), when China was in absolute and relative terms far more developed than a great many contemporaneous European regions.<sup>12</sup> Therefore, historical perspective remains critical to any effort to calculate the significance of present South-South flows.

These longer histories are important because, in some contexts, they set up patterns of migration that continue today. For example, the coolie labour of the late nineteenth and early twentieth century gave rise to Chinese communities that, to an extent, anchored subsequent migrants. However, there is no necessary path dependency in these

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<sup>6</sup> Sautman and Hairong, “Friends and Interests”.

<sup>7</sup> Dudley Poston Jr., Michael Mao, and Mei-Yu Yu, “The Global Distribution of the Overseas Chinese Around 1990.” *Population and Development Review* 20(3) (1994). Put the number in 1993 at 36,000

<sup>8</sup> Poston et al, “Overseas Chinese”

<sup>9</sup> Ali Abdalla Ali, “The political economy of relations between Sudan and China,” in *China in Africa: Mercantilist predator or partner in development?* ed. Garth Le Pere (Braamfontein: Institute for Global Dialogue and South African Institute for International Affairs, 2007). Puts the number in 2004 at 24,000

<sup>10</sup> Xiang Biao, *Promoting Knowledge Exchange through diaspora networks: The case of the PRC* (Oxford: University of Oxford Compas Report, 2005). <http://www.adb.org/Documents/Reports/GCF/reta6117-prc.pdf>.

<sup>11</sup> Bakewell, *South-South Migration*.

<sup>12</sup> Martin Jacques, *When China Rules the World: The Rise of the Middle Kingdom and the End of the Western World* (London: Allen Lane, 2009).

migration flows since *old* and *new* Chinese migrants do not always interact. This apparent alienation cautions against *homogenizing* the Chinese and urges us to look at the forces driving emigration from China.<sup>13</sup>

As recently as the eighteenth century, China's policies purposefully discouraged outbound migration.<sup>14</sup> These policies changed, however, with the Opium Wars that enabled colonial powers to reduce restrictions on Chinese emigration. These changes precipitated large-scale, overseas movements of Chinese labourers in the purported coolie trade.<sup>15, 16</sup> Even though historians exaggerate the impact of the coolie trade as the paradigm of Chinese migration, most of these labour contracts were tightly regulated and workers were sent back after their contracts expired. Small, but enterprising groups of independent traders, based in China, serviced these labour migrants and also engaged in small-scale export.<sup>17</sup>

In 1949 the newly founded People's Republic of China (PRC) reversed these policies and officially ended outbound emigration. The defeated Kuomintang withdrew to Taiwan and established the Republic of China (ROC, commonly known as Taiwan). Taiwan is important because many Taiwanese firms operate in Africa whereas the PRC, which has given its *One China* demand unswerving priority since Taiwan's creation, offers favourable aid terms to African countries that support its claims to Taiwan. The Cold War's geopolitical strategy in Africa found China challenging the major superpowers through its conspicuous targeting of aid.<sup>18</sup> Between the 1960s and the early 1980s at least 150,000 Chinese technical assistants arrived in Africa.<sup>19</sup> Although the numbers of aid workers were not huge, and many stayed only temporarily, significant amounts remained behind to pursue commercial activities.<sup>20</sup> At the same time, China's domestic perception of Overseas Chinese shifted from a view that they were traitors to a view that cast them as new vanguards of Third World anti-colonialism.<sup>21</sup>

China's more recent emigration patterns occurred in the wake of that nation's 1970s economic reforms that some observers believe weakened the state's role in its peoples' movements.<sup>22</sup> The economic reforms included the total or partial privatisation of State-Owned Enterprises (SOEs), and latterly encouraged a globalization strategy that stimulated foreign investment. On top of this the Chinese assumed a neutral attitude towards emigration, and attempted to divorce out bound migration from geopolitical and

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<sup>13</sup> Janet Wilhelm, "The Chinese Communities in South Africa." In *State of the Nation: South Africa 2005-2006* ed. Sakhela Buhlungu et al (Cape Town: HSRC Press, 2006).

<sup>14</sup> Simon Shen, "A constructed (un)reality on China's re-entry into Africa: the Chinese online community perception of Africa (2006–2008)," *The Journal of Modern African Studies* 47 (2009).

<sup>15</sup> Sen-Dou Chang, "The Distribution and Occupations of Overseas Chinese." *Geographical Review* 58/1 (1968).

<sup>16</sup> Yoon Park, "Sojourners to Settlers: Early Constructions of Chinese Identity in South Africa, 1879-1949," *African Studies* 65/2 (2006).

<sup>17</sup> Lynn Pan, *The Encyclopedia of the Chinese Overseas* (Singapore: Nanyang Technological University, 2005).

<sup>18</sup> Deborah Brautigam, *Chinese Aid and African Development: Exporting Green Revolution* (Basingstoke: Macmillan and New York: St Martins, 1998).

<sup>19</sup> Brautigam, *Chinese Aid*.

<sup>20</sup> Elizabeth Hsu, "Zanzibar and its Chinese Communities," *Population, Space and Place*. 13 (2007).

<sup>21</sup> Mette Thuno, "Reaching Out and Incorporating Chinese Overseas: The Trans-territorial Scope of the PRC by the End of the twentieth Century," *The China Quarterly* 168 (2001).

<sup>22</sup> Thuno, "Reaching Out", Biao Xiang "Emigration from China: A Sending Country Perspective." *International Migration* 41/3 (2003).



ideological concerns.<sup>23</sup> China's populous provinces saw the government allow private labour recruitment projects to be deregulated, and simultaneously allow the number of private labour contractors to grow.<sup>24</sup> African nations saw an inflow of cheap Chinese manufactures headed for local markets. Africa received private traders, and waves of independent workers migrated to Africa for economic reasons. Additionally, large numbers of state-sponsored construction teams and labourers came to work in the extractive industries.<sup>25</sup> Yet we must avoid treating a dynamic flow as only driven by changes in China. African social and political agency mediates these flows in important ways.

### ***Diverse drivers, multiple communities***

In order to understand the motives for Chinese migration we need a broad political economy perspective. This means acknowledging that capital is fragmented so that state activity and politics cannot be homogenized by reducing them to the needs of a 'unitary' capital. In terms of China's heightened role in Africa, an important differentiating factor is the scale and type of Chinese enterprise. We find three distinct groups.

First, temporary labour migrants are generally associated with large infrastructure projects.<sup>26, 27</sup> Often the World's thirst for oil drives the need for such large numbers of foreign workers, even though the Chinese also engage in non-oil mineral resources. These projects are located near to Chinese personnel, who live in compounds, and have little contact with indigenous African communities.<sup>28</sup> For the most part, these compounds consist of Chinese expatriates on fixed term contracts, who return home after a few years.<sup>29</sup> This approach suggests that, whether intentionally or otherwise, China's policies have created an enclave for these labourers.<sup>30</sup>

A second group of Chinese migrants to Africa consists of petty entrepreneurs, who usually work in trade, services and light manufacturing, but lack government backing.<sup>31</sup> Researchers analysed the economic integration of Chinese migrant entrepreneurs through a construct of *embeddedness*, which argues that economic practices are *embedded* in social practices.<sup>32, 33</sup> While Greenhalgh cautions against inclinations that superimpose a *Confucian* ethic upon all Chinese business organizations, ethnic communities can function as a "market for culturally defined goods, a pool of reliable

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<sup>23</sup> Biao, "Emigration".

<sup>24</sup> Monina Wong, "Chinese workers in the garment industry in Africa: Implications of the contract labour dispatch system on the international labour movement," *Labour, Capital and Society* 39/1 (2006).

<sup>25</sup> Broadman, *Silk Road*.

<sup>26</sup> Ma Mung, "Chinese Migration".

<sup>27</sup> Centre for Chinese Studies, *China's interest and activity in Africa's construction and Infrastructure sectors* (Stellenbosch: Stellenbosch University, 2007).

<sup>28</sup> Lucy Corkin, "Chinese Migrants to Africa: A Historical Overview." *The China Monitor* 26 (2008).

<sup>29</sup> Broadman, *Silk Road*.

<sup>30</sup> James Ferguson, *Global Shadows: Africa in the Neoliberal World Order* (Durham, NC: Duke University Press, 2006).

<sup>31</sup> Heidi Haugen and Jurgen Carling, "On the Edge of the Chinese Diaspora: The Surge of Baihuo Business in an African City," *Ethnic and Racial Studies* 28/4 (2005).

<sup>32</sup> Giles Mohan, "The underdevelopment of economic geography: rethinking institutions and embeddedness in a Third World context," in *Social capital and the embedded enterprise: international perspectives*, ed. by Mike Taylor and Simon Leonard (Aldershot: Ashgate, 2002).

<sup>33</sup> Sharon Zukin and Paul DiMaggio, "Introduction," in *Structures of capital: The social organization of the economy*, ed. by Sharon Zukin and Paul DiMaggio (Cambridge: Cambridge University Press, 1993).

low-wage labour and a potential source of start-up capital."<sup>34</sup> <sup>35</sup> These Chinese traders tend to live frugal lifestyles, rely on some family labour, and buy from China.<sup>36</sup> Their flexible use of networks offers a plausible explanation for their ability to out-compete African firms.<sup>37</sup> Part of this network-driven flexibility is apparent in strategies for geographical movements, expansion and diversification.<sup>38</sup> To add to these causal factors, some smaller manufacturing firms engage agencies to recruit low-wage Chinese labour.<sup>39</sup>

The third source of Chinese migrants is undocumented migrants who purposefully evade state surveillance. An unknown number of illegal sojourners use African states as *soft* locations, where they enjoy respites from their quests to enter North America or Europe.<sup>40</sup> These migrants may become petty traders to remain solvent, rather than engage in the longer-term strategy of becoming embedded in African economies.

The prevailing impetus for each of these groups is economic. Most Chinese respondents in Ghana and Angola saw their African stay as more lucrative than life in China. SOE workers found that overseas wages were two or three times those in China, and seldom did local goods and services require large expenditures. Private businessmen saw Africa as an opportunity, especially after the recent financial crisis hit China's economy. A Chinese businessman in Ghana explained that,

I don't think I will be able to make more money in China than I can do here. The conditions in China are getting quite bad, and will be worse with this world crisis. I will stay overseas and support my family until my son has graduated. Wow, that's like another 15 years (sigh).<sup>41</sup>

One respondent noted of Angola "This place is like China, very undeveloped in the past but now is the time...It is always the first pot that is most profitable."<sup>42</sup> Some respondents acknowledged that, due to the civil war, Angola needed infrastructure and commodities and that the Chinese are adroit at spotting opportunities in post-conflict countries, for projects in basic reconstruction and for the sale of goods. The implication is that migration to the developing world may increase, by acting as a vent for China's domestic underemployment.

But within these 'Chinese' groups there were internal differences. In our research in Ghana we found that Chinese migrants tended to organize around age and place of origin.<sup>43</sup> More specifically, the younger Shanghai crowd socialized together and apparently differentiated themselves from the older Hong Kongers. The younger crowd

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<sup>34</sup> Susan Greenhalgh, "De-Orientalizing the Chinese Family Firm." *American Ethnologist*, 21/4 (1994).

<sup>35</sup> Alejandro Portes and Julia Sensenbrenner, "Embeddedness and Immigration: Notes on the Social Determinants of Economic Action," *American Journal of Sociology* 98/6 (1993): 1329

<sup>36</sup> Gregor Dobler, "Solidarity, Xenophobia and the Regulation of Chinese Businesses in Namibia" in *China Returns to Africa: A rising power and a continent embrace*, ed. Chris Alden et al. (London: Hurst, 2008).

<sup>37</sup> Brautigam, "Close encounters".

<sup>38</sup> Haugen and Carling, "On the Edge".

<sup>39</sup> Wong, "Chinese workers".

<sup>40</sup> Ma Mung, "Chinese Migration".

<sup>41</sup> Anonymous interview from research project funded by the UK's Economic and Social Research Council (Ref: RES 062-23-1893). Interview code: Ghana16anon, conducted 9/12/08

<sup>42</sup> Anonymous interview from research project funded by the UK's Economic and Social Research Council (Ref: RES 062-23-1893). Interview code: Angola 27anon, conducted 6/5/09

<sup>43</sup> Anonymous interview data from research project funded by the UK's Economic and Social Research Council (Ref: RES 062-23-1893).

tended to organize through a Ghana-centred Chinese language website and through QQ discussion groups.<sup>44</sup> Moreover, with regard to Ghana, Ho concludes that formal organization is generally less important than informal sociality. He talks about the divisions within the 'Chinese' community in Ghana and argues, "[T]heir [the migrant Chinese] social bonds are loose and uneasy and their idea of belonging to a place and group is fluid".<sup>45</sup> He shows how suspicion and distrust often define business relationships between the Chinese, who harbour a sense of transitioning and of continuing to sojourn.

This contradicts the purported model of *Confucian capitalism*, in which family firms allegedly rely on *guanxi* to achieve the goal of increasing the material well-being of oneself and one's family.<sup>46</sup> *Guanxi* is roughly defined as interpersonal connections of trust, and networking, all of which are essential to a successful business. Even though a successful business must have sufficient *guanxi*, the importance of these inter-relationships not only has its limits, but has gendered implications for family and kin.<sup>47</sup> Greenhalgh shows how Taiwanese firms could be seen to exemplify strong, interpersonal connections with a dominant patriarchal leader.<sup>48</sup> She shows that not only is this *Confucian* ideal a relatively recent invention of tradition to capture low-cost and flexible niches in the global economy, but that it relied on the super-exploitation of female members of the extended family who were drawn upon for both domestic reproduction and productive labour. The point is that there is a capitalist imperative in this behaviour and so in analysing migrant flows and behaviours we have to be attendant to political economy as much as cultural difference (Dirlik 1997, Meagher 2012).

### ***Social agency and the mediation of transnational capital***

If the dominant literature has, erroneously, focused on the specificities of Chinese business culture and the drivers of China's outward investment, then we need a more nuanced understanding of African agency. A third analytical point, then, in understanding the governance of Chinese engagement is the role played by African actors. Contemporary analyses of China in Africa have much in common with earlier debates about dependency, which lacked a sufficiently disaggregated and dynamic view of both capitalism and African political agency. As such to understand the governance of Chinese migrant flows we need a relational understanding. Mung terms this a 'triangular' perspective in which "the Chinese diaspora does not only relate to China, but also interacts with the society where it has settled."<sup>49</sup> We suggest that African actors exercise agency within and outside the confines of the state, even as these actions are shaped by and in turn shape processes of state formation and function.

Here Hagmann and Peclard have sought to 'understand how local, national and transnational actors forge and remake the state through processes of negotiation,

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<sup>44</sup> A Chinese instant messaging software

<sup>45</sup> Conal Ho, "The Doing and Undoing of Community: Chinese Networks in Ghana," *China Aktuell* 3 (2008): 53

<sup>46</sup> Arif Dirlik, "Critical reflections on Chinese capitalism as paradigm", *Identities* 3(3) 1997.

Murray Weidenbaum and Samuel Hughes, *The Bamboo Network: How Expatriate Chinese Entrepreneurs Are Creating a New Economic Superpower in Asia* (New York: Martin Kessler Books, 1996).

<sup>47</sup> Jinn-Yuh. Hsu and AnnaLee Saxenian, "The limits of *quanxi* capitalism," *Environment & Planning A* 32 (2000).

<sup>48</sup> Greenhalgh, "De-Orientalizing the Chinese Family Firm".

<sup>49</sup> Ma Mung, "Chinese Migration", 105-106

contestation and bricolage'. Their 'analytic of statehood' is about the dynamic and always undetermined process of state (de)construction which is a multi-level phenomenon although Doornbos rightly cautions that social demands in Africa are often 'negated' rather than negotiated. Hagmann and Peclard's framework comprises diverse actors, many of whom lie outside formal political structures. What also becomes apparent is that there is a strong class and interest-based dimension to political and social agency. In the context of the opportunities and threats raised by China's entry into Africa, civil society action is often – but not exclusively - about protecting the class privileges of Africa's labour aristocracy and petit-bourgeoisie, while the sections of the state that benefit from (and so fight for) Chinese investment are often part of a highly select elite, as we will see.

## **Unfolding Governance of China-Africa Migration**

So far we have argued that the motives of China's migrants have varied over time and that ethnocentric ideas about 'the Chinese' are unhelpful. Moreover, attributing power to China/the Chinese at the expense of Africa/ns presents a partial and inaccurate picture of how these flows of people, finance and goods are ultimately governed. In this section we examine these different modalities for governing China-Africa migration and argue that a range of different actors are involved in this governance and they operate through informal and formal channels and modes of regulation.

### ***Elite bilateralism***

In terms of governing these migration flows an important aspect is the closed bilateralism of the official relationships. Institutional processes like FOCAC are important for setting the terms of much of the official, inter-state transactions. But the idea that this is a pan-African forum is a misnomer insofar as most of the concrete deals that are made with Africa are on bilateral terms, which follows a pattern that the Chinese (and many other East Asian donors) established during the cold war period.

Where studies drill down into these bilateral relationships the analysis invariably focuses on state elites. Carmody *et al* (2012) conclude their study of China and Zambia by arguing that the relationship is 'based on an (il)liberal bargain between domestic and Chinese political elites' (p.225) in which closed door negotiations largely bypass domestic accountability mechanisms, such as Parliaments. A similar pattern to Zambia pervades China's relations with Angola. Angola's post-war economy required huge amounts of social and infrastructural investment and so external financing was sought. It was here that China, in need of energy resources, offered Angola a series of oil-backed credit lines with little conditionality. In the first official estimate of Chinese credit to Angola, the Chinese Ambassador said in early 2011 that US\$14.5 billion in credit had been provided since the end of the war from the three Chinese state banks.

Project proposals identified as priorities by the Angolan ministries are put forward a joint committee (the GTC) of Angola's Ministry of Finance and China's Ministry of Commerce (MOFCOM). Implementation then passes over to a multisectoral technical group (the GAT). For each project put to tender, the Chinese government proposes a few Chinese companies while sectoral ministries are in charge of managing these public works. Through these arrangements, the Angolan government has used the Chinese

credit to undertake well over 100 projects which correspond to its strategy of prioritising the (re)construction of other key infrastructure.

Additionally, oil-backed loans amounting to as much as US\$10 billion have been provided by a private equity firm based in Hong Kong called the China International Fund (CIF). Crucially the CIF credit facility has been managed by Angola's Reconstruction Office, the *Gabinete de Reconstrução Nacional* (GRN), which has been exclusively accountable to the Angolan president. The various *Gabinetes* founded by President Dos Santos have always been personalised vehicles for economic management as part of what de Oliveira terms a 'successful failed state'.

Tied to the original China ExIm Bank loans is the agreement that the public tenders for the construction and civil engineering contracts tabled for Angola's reconstruction will be awarded primarily (70 per cent) to Chinese enterprises approved by the Chinese government. To date some thirty-five Chinese companies have been pre-approved by the PRC government to bid for projects that are put to tender in China (interview with SOE general manager). Furthermore, in principle, at least 50 per cent of all procurement for China ExIm Bank funded projects (in terms of equipment, materials, technology or services) must come from China, but in practice our research shows that most projects are implemented at closer to 70 per cent. As a result almost everything down to the cement and nails for these works are imported from China ensuring a large portion of the loans is redirected to China's domestic economy. Moreover, there is limited evidence that Chinese credit lines are boosting Angola's productive capacity and the limited employment opportunities created for Angolan workers have been the cause of some tension locally. Where Angolans have been able to find work on Chinese construction sites it has often been as security guards rather than on equal terms as waged labourers.

China's preference for bilateralism encourages negotiations between senior officials which often occur outside of domestic accountability structures, suggesting that China's entry may do little to alter existing forms of patrimonialism. That said, the Chinese claim that their project focus as opposed to modalities like direct budget support reduces the chances of malfeasance since there is less free-floating cash to be siphoned off. Again, evidence of such arrangements is sparse and arguably part of the Chinese argument is to justify its tying of loans to Chinese SOEs.

But whether these arrangements are elite-based and relatively unaccountable is somewhat different to whether they build legitimacy and contribute to a longer-term view of development. The infrastructure that the Chinese bring has been used to build African regime legitimacy, especially in the run up to elections. The Dos Santos government in Angola is a case in point and similar moves were made in Sudan (see also Holslag 2011). Conversely, in the case of Zambia, Chinese investment was used negatively to build opposition politics and we have seen an increase in expulsions of 'illegal' Chinese migrants in Ghana as the elections heat up. Hence, Chinese investment and migration plays into domestic political debates, which in turn affect the levels and nature of this migration. At a geopolitical level the Angola case shows that policy triangulation is possible with African states playing donors and investors off against one another. But while China may provide enhanced markets for African exports they do not alter the structural position of these economies and do little to kick start broader industrialisation. It is here that purposive policy on the African side is vital if developmental gains are to spread beyond mineral rents. Investment in training, for

example, is important if more local employment is to be generated by this new investment.

Playing into these closed and elite bilateral relations are weaknesses in local monitoring and enforcement of existing legislation that has a direct bearing on migration such as investment, immigration, and labour. For example, Dan Haglund's work on Zambia focuses on 'the interface between Chinese investors and local regulatory institutions'; what he terms 'political embeddedness'.<sup>50</sup> This is not so much about purposeful governance of migration but rather a political vacuum created by weak states and politicised bureaucracies. We saw in Ghana that some Chinese investors circumvented the local laws; for example, by labelling themselves as 'wholesalers' for purposes of conforming to the investment code but in practice operating as retailers.

One of the key issues is around the use and rights of African labour. The use of African labour varies according to labour market conditions and nature of the project, but that it is generally quite high (US Congress/Brautigam 2011) in comparison to the negative portrayal of mass importation of Chinese labour. However, much of this African labour is relatively unskilled and so skills transfer is low and few African governments are investing in vocational training (Okonjo-Iweala 2010), which creates a self-fulfilling prophecy of the Chinese requiring the importation of skilled labour. However, we have seen companies like Huawei setting up training centres in Africa (Chang *et al* 2009) as it is aware that local workers have certain advantages over Chinese staff, not least cost if they are adequately trained. A similar issue is around linkages to local firms. We have seen in the cases of Angola and DRC that local content clauses were part of the agreements around loan packages but that adherence is uneven. While some see the Chinese SEZs as a way of integrating the Chinese value chain to benefit Chinese firms there is emerging evidence that Chinese investment is creating local linkages to African firms though the jobs created in these firms tend to be relatively low skilled (Teka 2011) and in the case of Angola contracts are skewed towards firms owned by the ruling party (Soares de Oliveira 2007). These studies also show that local policy can make a difference and so while, for example, Angola has set up joint venture clauses that encouraged foreign firms to partner with local firms much of the rest of the policy needed to kick start industrialisation (such as training) was poorly elaborated.

### *Informal governance and patronage*

Just as many African governments have consciously turned to China as an official partner in national development, African citizens have increasingly reached out to China as a source of useful resources for personal and business progression. For example, Dobler's work on Namibia mentions town twinning as a semi-formal means of encouraging inward Chinese investment and trade.<sup>51</sup> Another manifestation of this is significant numbers of African traders who, since the mid-1990s, have travelled to China, especially Guangzhou, to buy Chinese consumer goods for export to Africa.<sup>52</sup> Significantly, local manufacturers that we interviewed in Ghana and Nigeria often

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<sup>50</sup> Dan Haglund, 'Regulating FDI in weak African states: a case study of Chinese copper mining in Zambia', *Journal of Modern African Studies* 46, 4 (2008), pp. 547-575;

<sup>51</sup> Gregor Dobler, 'Solidarity, xenophobia and the regulation of Chinese businesses in Namibia', in Alden, Large and Soares de Oliveira (eds), *China Returns to Africa*, pp. 237-255.

<sup>52</sup> See, for example, Sylvie Bredeloup, 'African trading post in Guangzhou: emergent or recurrent commercial form?', *African Diaspora* 5, 1 (2012), pp. 27-50; Michal Lyons, Alison Brown and Li Zhigang, 'In the dragon's den: African traders in Guangzhou', *Journal of Ethnic and Migration Studies* 38, 5 (2012), pp. 869-888.

argued that it is these African traders in China, rather than Chinese traders in Africa, who have been primarily responsible for the massive influx of cheap Chinese goods in recent years.<sup>53</sup>

The forging of connections to China by African traders also appears to be one of the factors that have encouraged Chinese entrepreneurs and companies to come to the continent. Respondents from Chinese manufacturing companies that have established outlets and/or factories in Ghana and Nigeria often remarked that they had first been alerted to the West African market by the quantity of orders they received from traders from the region. For example, a Chinese entrepreneur who came to Nigeria in 2001 to sell textiles and subsequently established a furniture factory in Lagos in 2006 recalls, 'I had a small scale factory in [China] and we knew that Nigeria was a large market because Nigerians were importing from my factory [...]. So that what was why I knew that there's a market in Nigeria. So I came to Nigeria'.<sup>54</sup>

Furthermore, we found that Ghanaian and Nigerian entrepreneurs are playing a much more direct role in encouraging the Chinese presence by sourcing not only consumer goods but also partners, workers and capital goods from China. Among manufacturers in the two countries, purchasing relatively cheap machinery from China has become an increasingly important way of maintaining production in the face of almost prohibitively high costs linked largely to unreliable and expensive power supplies and limited transport infrastructure.<sup>55</sup> Central to this strategy of taking advantage of more affordable Chinese technology is recruiting Chinese technicians to oversee installation and train their local counterparts in operating, maintaining and repairing the machinery. For example, a Nigerian engineering component manufacturer reported that when he replaced his ageing Europe-sourced production lines for half the cost by turning to a supplier in China, he also negotiated for nine technicians to be seconded to his Lagos factory for six months.<sup>56</sup> To assist the Chinese technicians he employed the services of a Chinese-speaking Nigerian man who had recently returned to Nigeria with his Chinese wife to establish a translation company after studying and working in China for 6 years.

In an important twist to the dominant narrative around Chinese firms importing their own labour we found evidence that African companies across a range of sectors increasingly view China as a source of skilled and/or hard-working labour and are actively bringing over Chinese workers in an attempt to increase productivity and provide higher quality goods and services.<sup>57</sup> This evolution in African business connections with China is exemplified by Mr Daniel, a Nigerian entrepreneur based in Lagos who has employed Chinese staff in a number of his businesses.<sup>58</sup> Mr Daniel's furniture business had been based on importing finished furniture from Europe and, more recently, China. When the Nigerian government banned the importation of

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<sup>53</sup> See also, Laurence Marfaing and Alena Thiel, *Chinese Commodity Imports in Ghana and Senegal: Demystifying Chinese business strength in urban West Africa* (Working Paper 180, German Institute of Global and Area Studies, Hamburg, 2011).

<sup>54</sup> Interview, Chinese factory owner, Lagos, 20 December 2010. This is our interpreter's translation from the Chinese.

<sup>55</sup> See also, Dulue Mbachu, 'Nigerian resources: changing the playing field', *South African Journal of International Affairs* 13, (2006), pp. 77-82.

<sup>56</sup> Interview, Nigerian manufacturer, Lagos, 9 October 2010.

<sup>57</sup> See also, Mario Esteban, 'A silent invasion? African views on the growing Chinese presence in Africa: the case of Equatorial Guinea', *African and Asian Studies* 9, 3 (2010), pp. 232-251.

<sup>58</sup> Interview, Mr Daniel, Nigerian businessman, Lagos, 12 October 2010. The names of individuals and companies have been changed to protect the identity of respondents.

furniture in 2004 he realised his only option was to manufacture locally but he was concerned that local labour would not be sufficiently skilled or reliable and that expatriate labour from Europe would be far too expensive. Having been impressed by the quality of the Chinese furniture he had previously imported, he learned from the extensive network of contacts he had established in southern China that Chinese labour was 'cheap' and able to bear basic living conditions. He therefore recruited a team of four furniture-makers from one of his former suppliers in Guangdong Province.

On the basis of this positive experience Mr Daniel made recruiting labour from China an explicit strategy in the expansion of his business empire. Most recently, he hired 14 workers from China for a construction company he has established with a Chinese partner. One of their first projects was to develop a hotel, for which Mr Daniel is currently recruiting from China a manager, chef and two masseurs. Indeed, hospitality is one of the sectors in which Nigerian and Ghanaian entrepreneurs have been most active in recruiting Chinese staff for the skills and professionalism they are seen to offer.<sup>59</sup>

Significantly, Chinese partners and workers brought to Ghana and Nigeria by African entrepreneurs have gone on to facilitate further Chinese immigration, initiating an African-induced process of chain migration and investment.<sup>60</sup> In one of the most notable cases, the founder of the 'China Town' shopping complex in Lagos, which has served as an important gateway for Chinese migrants to Nigeria, was first brought into the country from China by Chief Oladipo, a prominent Nigerian businessman and politician. Chief Oladipo had established strong business links with China in the 1980s and when he wanted to set-up a business to extract salt from the lagoons of Lagos, he was able to recruit a Chinese partner, Mr Wu, with the necessary experience.

Mr Wu arrived in Nigeria in 1990 but just as the venture was taking off it collapsed when Chief Oladipo was forced into political exile.<sup>61</sup> Observing that there were openings for affordable consumer goods in Nigeria, Mr Wu remained in Lagos and began trading in products imported from China. Chief Oladipo returned to Nigeria in 1998 and when he was elected to an important political position the following year, he helped Mr Wu to establish Nigeria's first 'China Town' shopping complex in the up-market Lagos district of Ikoyi. A political ally of Chief Oladipo argues that his intention in supporting the 'China Town' project was to attract Chinese entrepreneurs who would go on to establish factories in Lagos, thereby generating local employment and supporting economic development.<sup>62</sup> As Mr Wu himself observes, '[Y]ou must become friends with the Nigerian person. That's the only way you will be able to move forward in Nigeria'.<sup>63</sup> However, another respondent involved with the complex points out that it became a useful outlet for close relatives of Chief Oladipo involved in the textile business, particularly for retailing the substantial volumes of affordable material they imported from China.<sup>64</sup>

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<sup>59</sup> Interview, Ghanaian businessman, Accra, 30 June 2011.

<sup>60</sup> See Dobler, 'Solidarity, xenophobia' for how local officials help facilitate Chinese chain migration to Namibia.

<sup>61</sup> Interview, Mr Wu, Chinese entrepreneur, Lagos, 9 September 2010.

<sup>62</sup> Interview, Nigerian associate of Chief Oladipo, Lagos, 16<sup>th</sup> September 2010.

<sup>63</sup> Interview, 9 September 2010. For more on the elite connections of prominent Chinese entrepreneurs in Nigeria see Serge Michel, Michel Beuret, and Paolo Woods, *China Safari: On the trail of Beijing's expansion in Africa* (Nation Books, New York, 2009).

<sup>64</sup> Interview, Nigerian associate of 'China Town' complex, Lagos, 8 September 2010.



As Nyiri explains Chinese private enterprises tend to work through local patrons.<sup>65</sup> Several things may explain this practice. The presence of local persons can assist in the struggle to navigate through cultural or ethnic barriers in hostile host societies, and to obtain contracts. Investment codes may also require that local residents be stakeholders in any employment or partnership arrangements. Research showed that many Chinese entrepreneurs found these arrangements frustrating, because these locals were – for all intents and purposes – silent partners, who rendered virtually no benefits to the business.<sup>66</sup>

## ***Civil Society and the Politicisation of Chinese Migration***

The case of town twinning above suggests that organised civil society can play a part in encouraging inward investment and, so, in-migration from China. But African civil society plays other roles in shaping the nature of and debate over Chinese migration. While African civil society had muted responses to China's activities, a number of Africa trade unions and business associations closely critiqued China's role in national economies. For example, the South African TUC was one of the first to recognise the threat and organised debates around the future of African clothing and textile industries.<sup>67</sup> More recently a pan-African trade union project identified a casualisation of labour incumbent on Chinese investment in Africa.<sup>68</sup> This was linked to an arbitrary determination of wages and benefits, with wages in Chinese firms lower than many locally owned and other foreign owned firms. Their research cites Nigeria as an example and concludes that, where trade unions are relatively strong, wage rates are better. On top of poor wages Chinese firms typically provided only basic benefits and then only to the extent that local law required. Not only did Chinese firms generally disapprove of unions, but many African workers doubted their respective unions' ability to represent and defend them.

These general trends are highly visible in Zambia. As noted Chinese investment in Africa tends to focus on resource extraction and infrastructure projects. In Zambia the Chinese SOE Non-Ferrous Company-Africa (NFCA) owned the Chambishi Mine in the copperbelt. As an SOE, these enterprises projected the image of single entity. However, the region also hosted the Sino-Metals and Beijing General Research Institute of Mining and Metallurgy (BGRIMM) – an explosive manufacturing facility that manufactured dynamite for the neighbouring mine. A 2005 explosion at the BGRIMM plant killed 52 Zambians, but left Chinese workers unharmed. A 2006 strike left two protestors fatally shot by unknown security personnel and this year a Chinese manager was killed by angry workers. The 2006 debacle led the Civil Society Trade Network of Zambia to issue a damning report that openly accused Chinese firms of malfeasance and urged Zambia's government and mining companies to develop and enforce better standards.<sup>69</sup>

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<sup>65</sup> Pal Nyiri, "Chinese entrepreneurs in poor countries: a transnational 'middlemen minority' and its futures". Unpublished paper, 2009.

<sup>66</sup> Anonymous interview data from research project funded by the UK's Economic and Social Research Council (Ref: RES 062-23-1893)

<sup>67</sup> Ama Amankwah, "23,000 Jobs Gone to the Wind," AllAfrica.com, 2005. Accessed June 5<sup>th</sup>, 2006. <http://allafrica.com/stories/200510241023.html>.

<sup>68</sup> Ching Kwan Lee, "Raw Encounters: Chinese managers, African workers and the politics of casualization in Africa's Chinese enclaves," *The China Quarterly*, 199 (2009).

<sup>69</sup> Alastair Fraser and John Lungu, "For Whom the Windfalls? Winners and losers in the privatization of Zambia's copper mines," (Lusaka: Civil Society Trade Network of Zambia, 2007). [http://www.revenuewatch.org/documents/windfalls\\_20070307.pdf](http://www.revenuewatch.org/documents/windfalls_20070307.pdf)

In terms of union responses the rank and file in Lee's study of the Zambia case see the union as relatively powerless and even corrupt.<sup>70</sup> Part of this is the legacy of 1980s and 1990s neoliberal structural adjustment programs that actively undermined African organised labour.<sup>71</sup> Moreover union activism is not confined to African labour. The harsh working conditions and low pay in some Chinese factories prompted contract Chinese workers to engage in protests even though they displayed limited solidarity with African workers.<sup>72</sup> With respect to Namibia and Mauritania, labour and trade union regulations - in theory - govern local and migrant workers. However, the extraterritorial effects of China's labour contracts often preclude Chinese workers from benefits that the trade union protections in the host country offer. The future looks bleak for organised labour in the face of a *race to the bottom* economic model and a seemingly blind willingness of African leaders to encourage foreign investment at any cost (Meagher 2012).

Business associations have also contested China's presence. In Uganda the local business organizations, mainly the Kampala City Traders Association (KACITA), engaged a campaign that challenged unfair competition and shoddy goods. Their arguments arose from the perceptions that the Chinese manipulated prices, that the Chinese enterprises discouraged other investors, that Chinese practices increased the numbers of unemployed, and that the Chinese businesses engaged in tax evasion and undermined government revenue.<sup>73</sup> Dobler explained how local graft in Namibia - for example, bribes to customs officials - enabled Chinese firms to avoid duties, although local firms are also subject to such pressures.<sup>74</sup> Our research around Chinese SMEs in Ghana confirmed this and respondents suggested that paying local officials to expedite various official requirements was common, but not of great magnitude and arguably equal to similar practices in China.<sup>75</sup>

Some Ghanaian and Nigerian actors have taken direct action to regulate the activities of the Chinese and on occasion have attracted some degree of support from elements of the state. Such action has at times produced tangible effects, disrupting and/or constraining Chinese enterprise and forcing Chinese actors to adapt their strategies and activities.<sup>76</sup> All of this is especially evident in the response to Chinese traders and their importation of 'cheap' Chinese consumer goods, which, like Kampala, has been one of the most contentious issues related to the Chinese presence in both Ghana and Nigeria.<sup>77</sup>

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<sup>70</sup> Baah and Jauch, *Chinese Investments*.

<sup>71</sup> Baah and Jauch, *Chinese Investments*.

<sup>72</sup> Wong, "Chinese workers".

<sup>73</sup> Margaret Lee, "Uganda and China: Unleashing the power of the dragon," in *China in Africa*, ed. Henning Melber (Uppsala: Nordiska Afrikainstitutet, 2007), 34.

<sup>74</sup> Dobler, "Solidarity".

<sup>75</sup> Anonymous interview from research project funded by the UK's Economic and Social Research Council (Ref: RES 062-23-1893). Interview code: Ghana5anon, conducted 1/12/08.

<sup>76</sup> For other cases see Dobler, 'Solidarity, xenophobia'; Lee, 'Raw encounters'; Human Rights Watch, "You'll Be Fired if You Refuse": *Labor abuses in Zambia's Chinese state-owned copper mines* (Human Rights Watch, New York, 2011). <<http://www.hrw.org/sites/default/files/reports/zambia1111ForWebUpload.pdf>> (4 October 2012).

<sup>77</sup> Isaac Idun-Arkhurst, *Ghana's Relations with China* (The South African Institute of International Affairs Johannesburg, 2008); ing Lui, 'Contact and identity: the experience of China Goods in a Ghanaian marketplace', *Journal of Community and Applied Social Psychology* 20, 3 (2010), pp. 184-201; Alaba Ogunsanwo, 'A tale of two giants: Nigeria and China', in Ampiah and Naidu (eds) *Crouching Tiger, Hidden Dragon?*, pp.192-207.

In Nigeria, much of the agitation has focused on the ‘China Town’ in Lagos discussed earlier.<sup>78</sup> By the time the complex relocated to Ojota in 2002, prominent Nigerian manufacturers and the Manufacturers Association of Nigeria had begun to mobilize against it. They argued that the importation of cheap and often sub-standard Chinese goods was fatally undermining local producers. Indeed, this agitation only increased as the new complex became more popular with Chinese traders and African consumers alike. ‘They challenged it with all their powers’, recalls a Nigerian closely involved with ‘China Town’ since its early days. ‘They did not want the influx of these people because they know they will take over all their markets. So it was bad ... What they do is they go to the authorities, right from the presidency to every arm of the government, to say look at these people ... their product is not good, their business is not right, cross check very well’.<sup>79</sup> As a result of such calls by the manufacturing lobby, the Federal Government added a number of goods, such as textiles and furniture, to its import prohibition list between 2003 and 2004. In late 2005, just nine months after the new ‘China Town’ was officially commissioned by President Obasanjo’s wife, officers of the Nigeria Customs Service descended on the complex, seized banned imported goods and closed it for three months. The impact of this action was considerable. The vast majority of the Chinese traders lost most or all of their stock. Some simply went out of business and returned to China. Many others moved to another country or attempted to relocate within Nigeria. For those who remained business never recovered.

While the activities of African trade unions and business associations in contesting the Chinese presence reflect material concerns, a worrying trend is that these essentially class-based interests are obscured by negative ethnic and racial discourses. Whether recently arrived or more established, independent Chinese traders harboured views and attitudes that may have long-term implications in local communities. Our research revealed cultural assumptions about what they termed ‘blacks’ that seemingly cast the indigenes as unsuitable for higher level roles. For example, these Chinese business people tended to limit African workers to menial tasks, say, waiting tables, cleaning buildings and door security. Such employers often cited a lack of trust – or some equivalent racist proxy – for employing Chinese labour over Africans. Many felt that Chinese productivity was too intense – “Our tempo is too fast for the local people”. Be that as it may, a number of Chinese migrants in Angola said, “The Chinese are hated.”<sup>80</sup> Persons with this belief apparently reacted to instances when they felt that locals stole from them or acted rudely as signs of their unpopularity. These perceived barriers, in turn, seemingly justified their own failure to engage or socialize with the locals.

These assumptions about *the other* stand in stark contrast to official proclamations highlighting the cordial and mutually respectful relations between China and Africa, as discussed at the start. At one level, this disjuncture between official and *lay* Chinese opinion should caution against notions of a problem free ‘South-South cooperation.’ While state-to-state relations may be founded on a more business-oriented, anti-imperialist and colour-blind partnership, the actual agents of these relations display markedly different views that could effectively limit their ability to integrate in the way that promotes investment on the one hand and trust on the other (see Giese and Thiele

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<sup>78</sup> See also Sola Akinrinade and Olukoya Ogen, ‘Globalization and de-industrialization: South-South neo-liberalisms and the collapse of the Nigerian textile industry’, *The Global South* 2, 2 (2008), pp. 159-170; Pat Utomi, *China and Nigeria* (Washington, DC: Center for Strategic and International Studies, Washington D.C., 2008)

<sup>79</sup> Interview, Nigerian associate of ‘China Town’ complex, Lagos, 16 September 2010

<sup>80</sup> Anonymous interview from research project funded by the UK’s Economic and Social Research Council (Ref RES 062-23-1893). Interview code: Angola 33anon, conducted 7/5/09

2012). Some Africans, on the other hand, demonized the Chinese in terms that provided fodder for self-serving political ends. Indeed the morally dubious presidential campaign of Michael Sata in Zambia was premised on exploiting economic nationalism as a way of garnering support. He depicted his impoverished Zambians as the victims of Chinese *greed*. In this way cultural assumptions play into (potential) state policy and might be an avenue of future conflict.

## Conclusions

The paper sought to analyse the nature of the governance of Chinese migration to Africa. We noted that political elites in China and most African states unilaterally trumpet a new era of South-South cooperation, with *win-win* partnerships the order of the day.<sup>81</sup> Indeed, China brings needed infrastructure at concessional rates.<sup>82</sup> In return, China's purchase of Africa's strategic resources raised demand and prices. Even as this arrangement disrupts the old North-South order that included aid relations, they occur in a no-strings-attached paradigm. They also occur without the discourse of progress or postcolonial responsibility that characterised much North-South development cooperation.<sup>83</sup> That said such discourses enable a material relationship between these elites that is closed and unaccountable. We also argued that beyond these bilateral and personalised arrangements that non-state and civil society actors were important in setting up and regulating these migration flows. While not focusing directly on African migration to China, we argued that this circulation of knowledge and people has been a major part of the Chinese in Africa story.

Given our starting comments about 'South-South' cooperation we can think about these migrant relations as beyond economism and ethnocentrism. The dominant 'China Inc.' assumptions tend to reduce Chinese motivations to singular, rational economic ones, but the data – while not disputing this general picture of economic betterment – reveals much more complex motives. This required a disaggregation of firm types but also a focus on individuals within these organizations. Here we saw not just Africa as a site of economic opportunity but as a way of escaping the strictures of Chinese society. It also showed longer-term strategies for Chinese engagement in Africa, which refutes the short-termist and exploitative assumptions we often hear about. The idea of ethnic economies that are internally coherent and enclavic is also misplaced. We saw much harder capitalist logics determining business behaviour, complex migrant trajectories such that there was no inherent trust within a 'Chinese' community, and extensive relationships with African businesses. That is not to say that these relationships are random, but that ethnicity and nationality are over-determined in the literature on Chinese migrant businesses.

In this African agency is important. The data showed Africans negotiating their relationships with the Chinese and in some case contesting this presence. This agency is found at the individual level, but also within more organised civil society activity and within parts of the African state (at both a central and 'street' level). However, there is a strong class and interest-based dimension to this which needs further analysis – cross-

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<sup>81</sup> Hu, "Enhance China-Africa Unity".

<sup>82</sup> Vivien Foster, William Butterfield, Chen Chuan, and Nataliya Pushak, *Building Bridges: China's growing role as infrastructure financier for sub-Saharan Africa* (Washington, DC: World Bank, 2008).

<sup>83</sup> Ngaire Woods, "Whose aid? Whose influence? China, emerging donors and the silent revolution in development assistance," *International Affairs* 84, (6): (2008).

cultural friendships – specially business partnerships - tend to be elite-based, civil society action is often – but not exclusively - about protecting the class privileges of the African petit-bourgeoisie and the labour aristocracy, while the sections of the state that benefit from (and so fight for) Chinese investment is a selected elite.

Interactions between Chinese migrants and local populations are often welcome for the transparency of the relationship, which is, founded on a clear business footing. The Chinese are often either employers or suppliers, and the transactions are devoid of the racial connotations attached to European colonization. However, there is evidence that there is a reciprocal racism between both communities. On one hand, some Chinese exhibit racism and bewilderment at the structures in which African societies are organised, while some Africans exhibit a robust xenophobia, which blends easily with populist politics. The bewilderment that some expatriate Chinese exhibit suggests that ideas of parity and *South-South* exchange are still in the embryonic stage. Additionally, some African attitudes towards the Chinese are steeped in negative stereotypes, even though African traders in China noted a better reception than, say, in Europe. As employers the Chinese are presented as quite demanding, both towards Africans and workers with whom they share ethnicity. As such, there are genuine dangers of both African and Chinese labour being swept up in a race to the bottom.<sup>84</sup>

Trade union activism shows that, where unions are powerful and able to enforce local laws, Chinese firms offer better wages and improved working conditions. It speaks to a wider issue as to whether Africa has a China strategy that compares, in any real sense, with China's Africa strategy. Policy responses have been quite weak to date. However, elements within African states, like Angola, carved out a hybrid space in which the elite collaborates with the Chinese.

Recent calls by the Managing Director of the World Bank set out a clear agenda for leveraging more strategic benefits from China's engagement in the resource sector.<sup>85</sup> She urged the Chinese to make investments consistent with national development priorities, which at root means creating jobs. Chinese firms should also demonstrate transparency and operate legally and add value by locating more elements of the value chain in Africa. They should pay the taxes due and avoid bribery and engage the local communities. Although the relations between Chinese enterprises and Africans are generally positive, the jury is still out with regard to compliance with Okonjo-Iweala's recommendations.

The spirit of South-South collaboration is partly about breaking free from an enclave like mentality and deepening the local footprint that Ferguson argues has been eroded not just by Chinese firms but, more generally, by TNCs in Africa.<sup>86</sup> In contrast, a focus on smaller Chinese firms shows that many are inevitably engaged with local communities as suppliers, employers and as cordial neighbours. Given the flexibility and the quality of human interaction, many of the positive developments in South-South trade will be pragmatically negotiated and achieved at this everyday level.

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<sup>84</sup> Baah and Jauch, *Chinese Investments*.

<sup>85</sup> Ngozi Okonjo-Iweala, "Promoting Smart and Responsible Investment in Africa", 2010 China Mining Congress and Expo, Tianjin, China, November 16, 2010.

<http://www.worldbank.org/en/news/2010/11/15/promoting-smart-responsible-investment-africa>

<sup>86</sup> Ferguson, *Global Shadows*.